DYNASTY
Since 1980

Dynasty Fine Wines Group Limited
王 朝 酒 業 集 團 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 00828)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

FINANCIAL HIGHLIGHTS

- Revenue decreased by 32% to approximately HK$83.0 million (30 June 2025: HK$122.8 million).
- Profit attributable to owners of the Company decreased by 94% to approximately HK$0.5 million (30 June 2025: HK$8.2 million).
- Basic earnings per share was approximately HK0.04 cents (30 June 2025: HK0.58 cents).

The board (the "**Board**") of directors (the "**Directors**") of Dynasty Fine Wines Group Limited (the "**Company**") is pleased to announce the unaudited interim results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the six months ended 30 June 2026 together with the comparative figures for the corresponding period of 2025. The unaudited interim results for the first half year of 2026 have been reviewed by the audit committee of the Company (the "**Audit Committee**"). All Audit Committee members, including the chairman of the Audit Committee, are independent non-executive Directors.

CONDENSED CONSOLIDATED INCOME STATEMENT

		Unaudited	
		Six months ended 30 June	
		2026	2025
	Notes	***HK$'000***	*HK$'000*
Revenue from contracts with customers	*5*	**83,046**	122,775
Cost of sales of goods		**(52,291)**	(75,498)
Gross profit		**30,755**	47,277
Other income, other gains and losses – net		**11,615**	6,500
Loss allowance recognised on financial assets – net		**(135)**	(494)
Distribution costs		**(27,473)**	(27,855)
Administrative expenses		**(14,550)**	(17,966)
Operating profit	*6*	**212**	7,462
Finance (cost)/income – net		**(57)**	272
Profit before income tax		**155**	7,734
Income tax expense	*7*	**(89)**	(5)
Profit for the period		**66**	7,729
Profit/(loss) attributable to:			
Owners of the Company		**496**	8,172
Non-controlling interests		**(430)**	(443)
		66	7,729
		HK cents	*HK cents*
Earnings per share attributable to owners of the Company for the period			
– Basic and diluted earnings per share	*9*	**0.04**	0.58

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited	
	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Profit for the period	**66**	7,729
Other comprehensive income:		
Item that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	**21,755**	5,703
Total comprehensive income for the period	**21,821**	13,432
Total comprehensive income for the period is attributable to:		
– Owners of the Company	**14,569**	13,417
– Non-controlling interests	**7,252**	15
	21,821	13,432

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at	
		30 June	31 December
		2026	2025
		Unaudited	Audited
	Notes	***HK$'000***	*HK$'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**131,011**	108,540
Right-of-use assets		**27,773**	25,288
Deposits		**1,892**	1,180
Prepayments		**1,227**	1,819
Deferred income tax assets		**6,200**	5,855
Total non-current assets		**168,103**	142,682
Current assets			
Inventories		**255,344**	257,991
Trade receivables	*10*	**54,970**	38,811
Notes receivable	*11*	**–**	1,332
Other receivables		**14,510**	11,406
Prepayments		**17,931**	17,231
Cash and bank balances		**47,627**	94,858
Total current assets		**390,382**	421,629
Total assets		**558,485**	564,311

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

		As at	
		30 June	31 December
		2026	2025
		Unaudited	Audited
	Note	***HK$'000***	*HK$'000*
LIABILITIES			
Non-current liabilities			
Lease liabilities		**1,541**	335
Current liabilities			
Trade payables	*12*	**51,099**	80,680
Other payables and accruals		**80,945**	99,844
Income tax liabilities		**7,807**	7,507
Contract liabilities		**11,811**	16,039
Lease liabilities		**1,255**	672
Bank borrowings		**22,912**	–
Financial liability arising from a put option		**4,314**	4,254
Total current liabilities		**180,143**	208,996
Total liabilities		**181,684**	209,331
Net current assets		**210,239**	212,633
EQUITY			
Share capital		**140,840**	140,840
Other reserves		**1,170,799**	1,156,726
Accumulated losses		**(969,495)**	(969,991)
Equity attributable to owners of the Company		**342,144**	327,575
Non-controlling interests		**34,657**	27,405
Total equity		**376,801**	354,980
Total equity and liabilities		**558,485**	564,311

1 GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 29 July 2004 as an exempted company with limited liability under the Companies Law of the Cayman Islands. Its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands, whilst the principal office is Room 4309, 43/F, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are manufacturing and sale of wine products.

The Company has its primary listing on the Main Board of The Stock Exchange of Hong Kong Limited ("**Stock Exchange**").

The condensed consolidated interim financial information was approved for issue by the Board on 26 August 2026. These condensed consolidated interim financial statements have not been audited.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1 Basis of preparation

These unaudited condensed consolidated interim financial information for the six months ended 30 June 2026 are prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34, "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") as well as applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"). The condensed consolidated interim financial information should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2025, which have been prepared in accordance with Hong Kong Financial Reporting Standard ("**HKFRSs**") issued by the HKICPA.

The accounting treatments, accounting policies and methods of computation used in the preparation of these condensed consolidated interim financial information are consistent with those used in the annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of amendments to HKFRSs which effective for the financial year beginning on or after 1 January 2026.

Except as disclosed below, there are no other amended standards or interpretations that are effective for the first time for this interim period that could be expected to have a material impact on the Group.

2.2 Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to a HKFRS Accounting Standard issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2026 for the preparation of the Group's condensed consolidated financial statements:

Standards	Subject
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-Dependent Electricity
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11

The application of the amendments to a HKFRS Accounting Standard in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk.

The interim condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025.

There have been no changes in any risk management policies.

3.2 Liquidity risk

Compared to year end, there was no material change in the contractual undiscounted cash out flows for financial liabilities.

3.3 Other risk factors and fair value estimation

All other aspects of the Group's financial risk management objectives and policies are consistent with those disclosed in the annual consolidated financial statements for the year ended 31 December 2025.

4 ESTIMATES

The preparation of interim financial statements requires the management of the Company to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these unaudited condensed consolidated interim financial statements, the significant judgements made by the management of the Company in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2025.

In addition, the loss allowances for trade receivables are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

5 SEGMENT INFORMATION

In accordance with the Group's internal reporting, the chief operating decision-maker ("**CODM**") considers the business from product perspective and has determined the operating segments to be red wines, white wines and all other products primarily related to the sale of sparkling wines, brandy, ice wine, craft beer and baijiu. The executive Directors (being the CODM) assess the performance of the operating segments based on gross profit. All revenue of the Group are from external customers.

		Unaudited		
	Red wines	**White wines**	**Others**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Six months ended 30 June 2026				
Revenue from contracts with customers	**23,426**	**52,183**	**7,437**	**83,046**
Gross profit	**8,941**	**19,596**	**2,218**	**30,755**
Amounts included in the measure of segment gross profit:				
Impairment allowance of inventories	**–**	**–**	**–**	**–**
Depreciation and amortisation *(Note)*	**(472)**	**(1,052)**	**(150)**	**(1,674)**
Six months ended 30 June 2025				
Revenue from contracts with customers	50,708	66,381	5,686	122,775
Gross profit	19,234	26,162	1,881	47,277
Amounts included in the measure of segment gross profit:				
Impairment allowance of inventories	212	212	–	424
Depreciation and amortisation *(Note)*	(575)	(753)	(64)	(1,392)

Note: Depreciation and amortisation included in the cost of sales of goods.

A reconciliation of total segment gross profit to total profit before income tax is provided as follows:

	Unaudited	
	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Gross profit for reportable segments	**30,755**	47,277
Other income, other gains and losses – net	**11,615**	6,500
Loss allowance recognised on financial assets – net	**(135)**	(494)
Distribution costs	**(27,473)**	(27,855)
Administrative expenses	**(14,550)**	(17,966)
Operating profit	**212**	7,462
Finance (cost)/income – net	**(57)**	272
Profit before income tax	**155**	7,734

Segment gross profit represents the profit earned by each segment without allocation of distribution costs, administrative expenses, loss allowance recognised on financial assets – net, other income, other gains and losses – net, and finance (cost)/ income – net. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

(a) The CODM makes decisions according to operating results of each segment. No analysis of segment asset and segment liability is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

(b) During the period, the following one (2025: one) external customer contributed more than 10% of the total revenue of the Group. These revenues were attributed to the red wine and white wine segments.

	Unaudited	
	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Customer A	**8,510**	–
Customer B	**–**	25,312

(c) Substantially all of the sales and non-current assets of the Group were from the People's Republic of China (the "**PRC**").

(d) Disaggregation of revenue from contracts with customers

	Unaudited	
	Six months ended 30 June	
Types of customers	**2026**	2025
	HK$'000	*HK$'000*
Distributorship	**70,286**	112,467
Online sales	**11,131**	8,324
Retails	**1,629**	1,984
Total	**83,046**	122,775

All sales contracts are for periods of one year or less. As permitted under HKFRS 15 *Revenue from Contracts with Customers*, the transaction price allocated to these unsatisfied contracts is not disclosed. The Group applies the practical expedient of not disclosing the information about its remaining performance obligation when the performance obligation is part of a contract that has an original expected duration of one year or less.

6 OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	Unaudited Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Employee costs comprising:		
– salaries, other allowance and benefits	**22,729**	20,983
– contributions to retirement benefits scheme	**3,193**	2,925
Total employee costs including directors' emoluments	**25,922**	23,908
Depreciation of property, plant and equipment	**1,824**	1,999
Depreciation of right-of-use assets	**657**	332
Government grants	**(226)**	(544)
Net gain on disposal of property, plant and equipment	**(25)**	(1,499)
Write-off of payables with long ageing	**(10,011)**	(3,718)
Loss allowance recognised on financial assets – net	**135**	494

7 INCOME TAX EXPENSE

	Unaudited Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Current income tax:		
Corporate income tax	**198**	5
Deferred income tax	**(109)**	–
Income tax expense	**89**	5

No provision for Hong Kong profits tax has been made as the Group has no estimated assessable profit in Hong Kong.

Provision for the PRC income tax has been made at the applicable rate on the estimated assessable profit for the period for each of the Group's subsidiaries. The applicable rate is principally 25% (2025: 25%).

8 DIVIDENDS

During the six months ended 30 June 2025, a final dividend of HK0.35 cents per share in respect of the year ended 31 December 2024 was declared and distributable out of share premium to owners of the Company. The aggregate amount of the final dividend declared and payable amounted to approximately HK$4,929,000. The Directors did not recommend the payment of any interim dividend to the shareholders of the Company for the six months ended 30 June 2026.

9 EARNINGS PER SHARE

The calculation of the basic earnings per share of the Company (the "**Share**") is based on the profit attributable to the owners of the Company of HK$496,000 (2025: HK$8,172,000) and the weighted average number of 1,408,406,000 Shares in issue during the six months ended 30 June 2026 (2025: 1,408,406,000 Shares).

As the Group had no dilutive instruments during the six months ended 30 June 2026 and 2025, the Group's diluted earnings per Share equal to its basic earnings per Share for the six months ended 30 June 2026 and 2025.

10 TRADE RECEIVABLES

	Unaudited 30 June 2026	Audited 31 December 2025
	HK$'000	*HK$'000*
Trade receivables from contracts with customers	**73,154**	56,861
Loss allowance	**(18,184)**	(18,050)
Trade receivables – net	**54,970**	38,811

The Group granted a credit period of 90 to 180 days (31 December 2025: 90 to 180 days) to its customers. The following is an ageing analysis of net trade receivables presented based on dates of delivery of goods:

	Unaudited 30 June 2026	Audited 31 December 2025
	HK$'000	*HK$'000*
Current	**36,089**	25,657
More than 30 days past due	**18,644**	11,749
More than 90 days past due	**237**	1,405
	54,970	38,811

The carrying amounts of the Group's trade receivables were principally denominated in RMB.

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

The Group applies the HKFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. The loss allowance on trade receivables as at 30 June 2026 amounted to HK$18,184,000 (31 December 2025: HK$18,050,000).

11 NOTES RECEIVABLE

	Unaudited 30 June 2026 ***HK$'000***	Audited 31 December 2025 *HK$'000*
Bank acceptance bills	**–**	1,332

As of 31 December 2025, notes receivable amounted to HK$1,332,000 were all bank acceptance bills with maturity dates within 6 months, which were classified as financial assets at fair value through other comprehensive income.

12 TRADE PAYABLES

The ageing analysis of the trade payables based on invoice date were as follows:

	Unaudited 30 June 2026 ***HK$'000***	Audited 31 December 2025 *HK$'000*
0–30 days	**10,200**	24,786
31–90 days	**996**	16,393
91–180 days	**3,742**	4,265
Over 180 days	**36,161**	35,236
	51,099	80,680

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

The Group's revenue for the six months ended 30 June 2026 decreased by 32% to approximately HK$83.0 million (2025: HK$122.8 million) and the Group's profit attributable to the owners of the Company decreased by 94% to approximately HK$0.5 million (2025: HK$8.2 million).

Earnings per share of the Company (the "**Share**") for the six months ended 30 June 2026 was approximately HK0.04 cents per Share (2025: approximately HK0.58 cents per Share) based on the weighted average number of approximately 1,408 million Shares (2025: approximately 1,408 million Shares) in issue during the period under review. There was no potential dilutive Share for the six months ended 30 June 2026.

In the first half of 2026, the decrease in profit was primarily due to (i) reduction in gross profit from a significant decrease in sales revenue due to weak demand of wine consumption market in the PRC; and (ii) an increase in other income such as write-off of payables with long ageing and a decrease in administrative expenses which have partially offset the impact of revenue decline on profit.

Shareholders and investors should note that the financial information given in this interim results announcement has not been audited.

Financial review

Income Statement

Revenue

Revenue of the Group is mainly generated from sale of wine products. For the six months ended 30 June 2026, total revenue of the Group decreased by 32% to approximately HK$83.0 million from approximately HK$122.8 million in the corresponding period in 2025. The decline in revenue was mainly attributable to the decrease in sales volume of products, especially middle to high-end and red wine products. The total number of bottles of wine sold decreased to approximately 3.7 million (2025: approximately 4.8 million) during the period. The Group's average ex-winery sale price of wine products, especially red wine products, under the "Dynasty" brand (in Renminbi ("**RMB**")) also decreased during the period under review, whereas the ex-winery sale price of white wine products maintained.

With the Group's stronger base of dry white market in coastal regions and the new launch of products of white and sparkling wines in response of the market trend, sale of white wine remained serving as the Group's primary revenue contributor, though sale of white wine products recorded a decrease when compared with the corresponding period in 2025. Sale of red and white wines products accounted for approximately 28% and 63% of the total revenue respectively for the period under review (2025: red and white wines: approximately 41% and 54% respectively).

Cost of sales of goods

For the six months ended 30 June 2026, the total cost of sales of goods decreased by 31% to HK$52.3 million (2025: HK$75.5 million).

The following table sets forth the major components of cost of sales of goods (before impact of impairment allowance of inventories) for the period under review:

	Unaudited For the six months ended 30 June	
	2026	2025
	%	*%*
Cost of raw materials		
– Grapes and grape juice	**45**	47
– Yeast and additives	**2**	2
– Packaging materials	**19**	21
– Others	**1**	1
Total cost of raw materials	**67**	71
Manufacturing overheads	**24**	18
Consumption tax and other taxes	**9**	11
Total cost of sales	**100**	100

The principal raw materials required by the Group in producing wine products are grapes and grape juice, yeast and additives as well as packaging materials including bottles, bottle caps, labels, corks and packing boxes. During the period under review, the cost of grapes and grape juice was the key component of cost of sales and accounted for approximately 45% of the Group's total cost of sales which remained relatively stable (2025: 47%).

Manufacturing overheads primarily consisted of delivery charge, depreciation, supplies, utilities, repair and maintenance expenses, salaries and related personnel expenses for the production and related departments and other incidental expenses in relation to production process. During the period under review, the portion of manufacturing overheads in the cost of sales increased from approximately 18% in the same period of 2025 to approximately 24%, mainly due to increase in wages and depreciation charges.

Gross profit margin

Margin is calculated based on cost of sales (inclusive of consumption tax) and gross sales. The overall gross profit margin decreased to 37% for the six months ended 30 June 2026 from 39% for the corresponding period in 2025, mainly due to change of product mix at lower prices and margin adaptive to the mass market during the period.

During the period under review, the gross profit margin of red wine products and white wine products were both 38% (2025: 38% and 39% respectively), whereas such margin of other products was 30% (2025: 33%).

Other income, other gains and losses – net

Other income, other gains and losses mainly comprised of gain on disposal of obsolete products, write-off of payables with long ageing and government grant or subsidies related to enterprise development.

Other income, other gains and losses for the six months ended 30 June 2026 represented a net gain of approximately HK$11.6 million (2025: net gain of approximately HK$6.5 million). The increase in the net gain was mainly due to write-off of payables with long ageing during the period under review, for which certain creditors had been deregistered or related legal contractual limitation period were expired.

Distribution costs

Distribution costs principally include advertising and market promotion expenses, storage charges in connection with the sales of wine products, salaries and related personnel expenses of the sales and marketing functions and other incidental expenses. During the period under review, distribution costs accounted for approximately 33% (2025: 23%) of the Group's revenue. The distribution costs to revenue ratio increased because of increase in marketing resources, especially for promotion in instant retail sales channels, e-commerce business and new product launch, and also contributed by a decrease in revenue when compared with the corresponding period last year. The Group continued to promote and market its brand and new products effectively through a range of joint promotions with local distributors, print and outdoor advertisements, wine dinners, wine tasting events, e-channels and digital communication, event sponsorships and exhibitions. The Group will ensure that its promotional strategy is responsive to market dynamics and competition.

Administrative expenses

Administrative expenses comprised salaries and related personnel expenses for administrative, finance and human resources departments, legal and professional fees, depreciation and amortisation expenses, impairment allowance and other incidental administrative expenses.

During the period under review, administrative expenses decreased due to cost savings but as a percentage of the Group's revenue increased to 18% (2025: 15%). The increase in ratio was mainly contributed by a decrease in revenue during the period.

Finance (cost)/income – net

During the period under review, net finance income changed to net finance cost of approximately HK$0.1 million (2025: net income of approximately HK$0.3 million) mainly due to an increase in finance costs from bank loans obtained and drop in interest income during the period compared with the corresponding period in 2025.

Income tax expense

No provision for taxation in Hong Kong had been made as the Group did not have any assessable profit arising from Hong Kong for both periods.

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%.

Provision for the PRC Enterprise Income Tax was made based on the estimated assessable profits calculated in accordance with the relevant income tax laws applicable to the subsidiaries operated in the PRC.

Financial management and treasury policy

For the six months ended 30 June 2026, the Group's revenue, expenses, assets and liabilities were substantially denominated in RMB. The funding from the operation was placed on short-term deposits (denominated in RMB, US dollars or Hong Kong dollars) with authorised financial institutions. The Group had bank borrowings denominated in RMB at fixed rates and was exposed to minimal financial risk from interest rate fluctuation. The Company would pay dividends in Hong Kong dollars when dividends were declared, if any. The Company did not implement any hedging or other derivatives against foreign exchange risk. Although the Group's current operations would not generate any significant foreign currency exposure, the Group will continue to closely monitor foreign currency movements and adopt prudent measures as appropriate.

The purpose of the Group's investment policy is to ensure the investment of uncommitted funds achieves the highest practicable returns while heeding the need to preserve capital and assure liquidity.

Business review

Sales analysis

A. Distributorship and corporate activities

For the six months ended 30 June 2026, the decrease in revenue was primarily impacted by a weak demand in wine consumer market, especially from traditional distribution channels, in the PRC. The business and sales of the Group had continued a downside trend from the end of 2025 to the first half of the year, but tend to be steady when compared with that in the second half of 2025.

In spite of the sluggish market environment, during the period under review, the Group pressed ahead with its marketing campaign showcasing in the core points of sale, hosting wine tasting events and organising plant visits, so as to keep developing and enhancing its point-of-sale network and instant retail channels. The Group held its national tour tasting and business events as well as new products launch ceremonies at various exhibitions and wine fairs, during which the Group actively promoted its latest product mix that covered all product lines.

The Group has been actively pursuing innovation, embracing the "5+4+N" product strategy, with "N" standing for developing various customised products and continuously creating new products to meet the diverse needs of different Chinese consumer groups. During the period under review, the Group continued launching new products, that can better suit different palates, and cater for consumers with different spending power. That was done with an aim to invigorate the brand, as well as consolidating the image of Dynasty representative of domestic grape wine brand.

The Group produces a wide range of more than 100 wine products under the "Dynasty" brand to meet the demands and preferences of different consumer groups mainly in the mass-market segments in the PRC wine market. During the period under review, the Group launched a new gift set product, i.e. Dynasty Chinese Zodiac Commemorative Dry Red Wine for the Bing Wu Year of Horse, integrating with the Chinese zodiac culture and the leading rise of Chinese-style fashionable products, by presenting the zodiac culture in a youthful visual language to attract potential consumers. During this period, the Group continued carrying out activities "Dragon Across the Universities (龍行高校)" in different universities and colleges to promote wine culture, further broadening the brand's awareness and reputation among young people.

Based on its existing high-quality products, the Group continues to introduce new products and promote product upgrades. The Group participated in the 114th China Food & Drinks Fair in March 2026 and capitalised on the momentum to launch new products such as "Tipsy series (微醺系列)", to further improve its product matrix and provide consumers with diverse consumption choices, in response to market needs, which are very suitable for ready-to-drink scenarios among young consumers. The "Tipsy Series" comprises four products, forming two distinct product lines: non-alcoholic free-run grape juice beverages and low-alcohol (alcohol by volume: 5%) sparkling wines. Its low-alcohol content provides a gentle, pleasant buzz and its sweetness comes solely from the natural sugars of the grapes; free from artificial flavours or colours, it remains pure and true to its origins, authentically showcasing the characteristics of the grape variety and the unique terroir of the region. During the China Food & Drinks Fair, the Group made a high-profile appearance with a diverse product portfolio and formats tailored to a younger demographic, sending a clear signal to the industry: while steadfastly upholding the highest standards of wine quality, the Group is continuously expanding its brand horizons through category innovation, cultural enrichment, and marketing breakthroughs to meet consumer demand for high-quality, personalised, and diverse alcoholic beverages. The Group also held wine-tasting events during the fair, where the new muscat sparkling wine and tea-flavoured wine won industry praise for their unique flavour and exquisite craftsmanship.

The quality of Dynasty's wine has gained widespread recognition, being the designated wine for the Davos Forum for 12 consecutive years, that showcases the brand connotation of "World-class quality, Chinese terroir, and Flavour of Dynasty".

In addition, the Group has continuously expanded the product spectrum by introducing new categories of products for ready-to-drink consumption channels such as craft beer to make up for the shortcomings of the alcoholic beverage category, and cultivated new business growth. The Group also sold chateau wine imported from France and other foreign branded wines in the PRC market through the Group's existing distribution network to introduce some classic "old world" and "new world" varietals to cater for a market that prefers the taste of foreign premium wines.

Through innovation in product and consumption scenarios, the Group continues to enhance its product and brand influence.

B. *E-commerce sales*

The e-commerce team of the Group comprehensively operates online stores itself on the traditional e-commerce platforms, such as JD.com (京東商城), Tmall (天貓商城) and Pinduoduo (拼多多) for product sales, as well as comprehensive innovation on its brand, product categories, and business systems, procedures and models via interest-based e-commerce platforms, including RED (小紅書 app), Kuai (快手 app) and TikTok (抖音 app). Such effort facilitated the Group's autonomous brand communications so that it could continue to gain the attention of mainstream consumer groups and demographic segments, and enhance effective market penetration of the Group's products targeted at young consumers. The e-commerce team also actively cultivates e-commerce live broadcasting talents to further expand its sales channels so as to build up a new customer base. The Group has also strengthened the promotion of newly launched "Hi" tea-flavoured sparkling wines and "Tipsy Series (微醺系列)" in RED and TikTok during the period under review.

The Group continues investing resources in a timely manner for improvement of the online sales channels and optimisation of online stores interface so as to respond to the change of customer consumption behaviour in the PRC. The Group jointly develops exclusive products with leading e-commerce platforms, and promotes artificial intelligence ("**AI**") livestreaming models in various channels to increase brand exposure and livestreaming sales, adopts big data analysis to accurately understand consumer demand, and injects strong momentum into the continued expansion of market scale. During the period, the Group achieved a staged growth in online sales. To establish an online brand matrix, the Group optimised online distributors during the period. The Group believes that the online platforms not only serve as a business-to-customer trading platform between the Group and the consumers, but also an additional marketing and promotion channel for the brand, which can enhance the overall business potential of the Group.

Awards

During the period under review, the Group had boasted brilliant results in major wine appraisal competitions. Among the numerous awards, "Dynasty Dry Red Wine Seven Year Reserve" has won the Silver Award, at the 2026 International Wine & Spirit Competition ("**IWSC**"). The competition is considered the international standard for wine and spirits quality. Dynasty 5 degree Muscat Sweet Sparkling Wine (王朝5度玫瑰香低醇起泡葡萄酒) and Dynasty Eastern Tea Bubble Sparkling Wine – Maojian Tea (王朝東方起泡酒•毛尖) are also awarded at the "2025 New Alcoholic Beverage Product Competition (2025年度酒類新產品大賽)" in respective categories hosted by China Alcoholic Drinks Association. These two wines have also won the Gold Medal at the France International Wine Awards ("**FIWA**") China region, Spring 2026 for its excellent quality. These wines stood out from other entries for their elegant aroma, smooth body and round taste, and won the awards at the competitions, showing the charm and strengths of Dynasty wines to the country and the world.

Research and technology

The Group is committed to maintaining a high standard of research and technology which is essential to the sustainable growth of the Company. The post-doctoral work station in the National-level Technology Centre of the Group continues to help researching the selection of distinctive muscat yeast in order to brew more mellow and delicious wines. The centre has also set up a winemaking and wine tasting studio which has carried out rounds of wine introduction and tasting activities to date, with event focuses covering floral and fruit wine, sparkling wine, white wine, red wine and brandy. These activities have further broadened the professional competency of the studio staff and enabled Dynasty's employees to gain a greater and in-depth understanding of wine products, so as to improve their technological know-how and new product development capabilities. The premises at the National-level Technology Centre further promote the Group's research and development of new products as well as new winemaking techniques.

Supplies of grapes or grape juice

Production of quality wines greatly depends on a sufficient supply of quality grapes or grape juice. Currently, the Group has more than 10 major grape juice suppliers with whom the Group has enjoyed long-term relationship, mainly located in Tianjin, Hebei, Ningxia and Xinjiang. Ensuring reliable supplies of quality grapes and grape juice to meet the production needs of the Group's growing business is a high priority of the Group. Thus, the Group continues to actively work with vignerons to expand their existing vineyards in order to enjoy better economies of scale and equip their vineyards with state-of-the-art techniques for assuring quality. For super and ultra-premium wines, vignerons have adopted a disciplined approach to limiting harvest yields in order to deliver higher quality grapes. To optimise the supply network, the Group continuously identifies new suppliers that comply with the quality requirements, and the Group conducts thorough tests on their grape juices before orders are placed. These procedures ensure the Group to procure quality grapes and grape juice supplies and also minimise the effect of bad harvests interrupting production.

During the period under review, in addition to Tianjin region, the Group kept the direct sourcing of quality grapes harvested from Ningxia and Xinjiang regions. During the period, Tianxia Winery in Ningxia has fully carried out the local processing of grape juices in accordance with the guidance and advices provided by the Group. This process can also better ensure that the quality and freshness of grape juice (including unprocessed wines) meet the Group's standard.

Production and processing capacity

As at the end of June 2026, the Group's annual production and processing capacity maintained at 55,000 tonnes (31 December 2025: 55,000 tonnes). Such capacity is sufficient for the Group to promptly respond to the market demand and provides a platform for sustainable earnings growth.

Joint venture companies in Jiangsu and Guizhou

Dynasty Fine Wines (Jiangsu) Co., Ltd.* (王朝酒業(江蘇)有限公司) ("**Dynasty Jiangsu**") is a joint venture established in Jiangsu in February 2025 for the manufacturing and sales of yellow wine (黃酒) and Chenpi wine (陳皮酒). Dynasty Fine Wines (Renhuai) Co., Ltd.* (王朝酒業(仁懷)有限公司) ("**Dynasty Renhuai**") is a joint venture established in Guizhou in February 2025 for trading of sauce-flavour baijiu products nationwide in the PRC. The joint ventures are accounted for as subsidiaries of the Group.

Construction of Winery in Jiangsu

In 2025, Dynasty Jiangsu entered into a construction agreement for the construction of a manufacturing plant with a tank capacity of 3,000 tonnes for yellow wine and Chenpi wine, which itself is a special yellow wine. As of 30 June 2026, the construction of core section: office building, workshops, warehouse and other main building, including the interior decoration and comprehensive installation of core equipment, was basically completed, accounting for approximately 90% of the overall project progress. Production machinery is at a trial run. Apart from construction of winery and testing of machinery, Dynasty Jiangsu has not yet commenced operation.

Dynasty Renhuai

Dynasty Renhuai continued trading operations in 2026 after encountering a period of fluctuation in the baijiu market in the PRC at its establishment in 2025. The baijiu market is tending to be stable in 2026. Although the sales contribution was insignificant to the Group during the period, leveraging on the advantages of origin and brand, Dynasty Renhuai is actively expanding channels, promoting product structure stratification and building a diversified product matrix of sauce-flavour baijiu to increase the scale of the segment.

The establishment of these new joint ventures aim to implement Dynasty's strategic plan, further improving the industrial layout, expanding category tracks, tapping into industry potential, creating new performance growth in the long run, and realising the Group's transformation into a full category, full industry-chain enterprise.

Put Option Update of a non-wholly owned subsidiary in Guizhou

Pursuant to the joint venture cooperation agreement in relation to the formation of Dynasty Renhuai, the joint venture company in Guizhou, during 9 months after formation of Dynasty Renhuai, in February 2025, (i) Sino-French Joint-Venture Dynasty Winery Limited ("**Dynasty Winery**") should procure third party(ies) (which shall be key distributors of Dynasty Winery) to acquire 39% interests of Dynasty Renhuai as held by Guizhou Province Maotai Town Guowei Winery Group Co., Ltd.* ("**Guowei Company**") (the "**Option Interests**"); or failing which (ii) Dynasty Winery shall acquire the Option Interests at a consideration (the "**Put Option**"). Upon formation of Dynasty Renhuai, the Group held 51% and Guowei Company held 49% of the equity interests respectively. On 5 January 2026, Dynasty Winery entered into a supplemental agreement to the joint venture cooperation agreement with Guowei Company, whereupon the Put Option and the execution period were extended to 30 September 2026. For details, please refer to announcements of the Company dated 5 January 2026 and 20 December 2024.

Events after the period end

No significant events had taken place after the six months ended 30 June 2026 to the date of this announcement.

Prospects and future plans

Looking ahead to the second half of 2026, the wine consumption market remains challenging, the Group will be cautious and continue to focus on market and consumer demand and promote product quality through technological innovation. At the same time, the Group will continue to innovate marketing strategies to stimulate brand vitality, further expand the market share of Dynasty's products, strengthen Dynasty's brand image representative of domestic wines, and set a benchmark for the Chinese wine industry, with the aim of bringing Dynasty's superior wines to more consumers in the PRC.

In addition to the Group's continued adherence to the "5+4+N" product strategy, with five major product series as the main line, facing the new trend of healthy consumption, and the rapidly growing market demand for low-alcohol and non-alcoholic wines, the Group keenly captures this market change, innovates its product categories, and increases its investment in a series of new categories such as low-alcohol tipsy wine series and tea-flavoured blended wines. These products have a unique taste, are healthy and fashionable, together with craft beer, and are very suitable for ready-to-drink scenarios among young consumers and instant retail channels. Through differentiated product strategies, the Group continues to deepen its presence among young consumer groups, and expand the consumer base to include new growth segments. Leveraging a new, youth-oriented product line, the Group will drive the development and expansion of channels–including regional e-commerce, community retail, premium convenience store chains, and discount stores–across the country.

Following the new operation of Tianxia Winery (Phase I) in Ningxia, in the second half of 2026, Dynasty Ningxia Tianxia Winery will launch new wine products that brewed from locally sourced premier grapes and grape juice – Dynasty Marselan and Syrah Red Wine. The quality wines embody the essence of terroir, strictly adhering to craftsmanship standards from planting to brewing, demonstrating the outstanding potential of Chinese wine, while the Group will continue working with distributors and partners to explore new market opportunities. Dynasty Ningxia Tianxia Winery is located in the Pigeon Hill Wine Cultural Tourism Town in Qingtongxia City, Ningxia, with "industry-tourism integration" as its core, through scene innovation, differentiated experience design and professional platform construction, the tourism town attracts tourists by providing them with an immersive vacation experience from "drinking wine" to "enjoying wine", enriching the connotation of "wine culture tourism". The Group plans to optimise the facilities and upgrade the brewing equipment of Tianxia winery to continuously improve its core competitiveness and thus strengthening the brand in the region. Any further new capital expenditures relating to Tianxia Winery, shall be funded by the Group's internal resources, borrowings or proceeds from issue of shares, if any.

Capitalising on the boom on tourism economy, the Group will also deeply integrate into the urban cultural tourism market with products such as free run juice (自流汁), "Hi (嗨)" series of tea-flavoured wine, the "Tipsy series (微醺系列)", and craft beer.

While upholding its brand heritage, further to our commitment to core wine business in the PRC, the Group developed or keeps expanding into new alcoholic beverages segments under the Dynasty brand such as sauce-flavour baijiu, craft beer, yellow wine and special yellow wine – Chenpi wine (which will be produced after completion of winery plant project), so as to diversify the sources of revenue.

As regards the Group's winery in Jiangsu, for the yellow wine project, after installation and testing of production equipment of a manufacturing plant with a tank capacity of 3,000 tonnes of yellow wine and special yellow wine – Chenpi wine in Jiangsu, the project is expected to be completed and ready for production after joint trial operation by the end of the third quarter of 2026. The Group will then be able to produce special yellow wine – Dongtai Chenpi Wine which will allow the Group to effectively expand product categories, seize development opportunities in the Chinese yellow wine industry. The project expansion aims to effectively implement Dynasty's strategic plan, further improving the industrial layout, expanding category tracks, tapping into industry potential, creating new performance growth points, and realising Dynasty Group's transformation into a full category, full industry-chain enterprise

For the e-commerce business, in the second half of 2026, the Group will continue deepening the integration of online and offline channels, and optimise an integrated online operations matrix encompassing traditional e-commerce, interest-based e-commerce, instant retail, and private traffic. The Group will capitalise on key marketing events to unlock the full value of traffic through initiatives such as livestreaming at winery, recommendations by influencers, and on-site winery tours. The Group also proactively connects instant retail platforms and partner with community group leaders and professional sales teams to expand sales channels, and actively explores new operational pathways to upgrade the online operational system.

The Group will continue to proactively develop new marketing prospects through innovation in product categories and consumption scenarios, and adjust its business strategies by seizing the development trend of ready-to-drink and younger consumer markets.

Human resources management

Quality and dedicated staff are the most important assets of the Group. The Group strives to ensure a strong team spirit among its employees so that they identify and contribute in unison to its corporate objectives. To this end, the Group offers competitive remuneration packages commensurate with market practices and industry levels, and provides various fringe benefits including training, medical and insurance coverage as well as retirement benefits to all employees in Hong Kong and the PRC. The Group is committed to staff training and development to support the need of the business and individuals. Employees are encouraged to enrol in external professional and technical seminars, and other training programmes and courses to update their technical knowledge and skills, enhance their market awareness and improve their business acumen. The Group has reviewed and adjusted its human resources and remuneration policies, especially the performance-based bonus award, with reference to local legislation, market conditions, industry practice and achievements of the Group's targets as well as the performance of individual employee.

The Group had a work force of 251 (including the board (the "**Board**") of directors (the "**Directors**")) (30 June 2025: 243) in Hong Kong and the PRC as at 30 June 2026. The total salaries and related costs (including the Directors' fees) for the six months ended 30 June 2026 amounted to approximately HK$25.9 million (2025: HK$23.9 million). During the period under review, the staff costs had an increase mainly as a result of an increase in headcounts of production.

Liquidity and financial resources

The Group continued to adopt a prudent approach in managing its financial resources. The principal sources of working capital of the Group during the period were funds from bank borrowings. As at 30 June 2026, the Group had net cash position of HK$24.7 million (31 December 2025: HK$94.4 million), including cash and cash equivalents and short-term deposits with maturity up to three months of HK$47.6 million (31 December 2025: HK$94.4 million) and bank borrowings due within one year of HK$22.9 million (31 December 2025: HK$ nil). The decrease in net cash was mainly attributable to settlement of trade payables and related payments for construction of Jiangsu winery plant during the period under review.

The Group expects its cash and funds from borrowings and credit facilities to be sufficient to support its operating and capital expenditure requirements in the foreseeable future. Any further new capital expenditures and investment opportunities of the Group, including the capital contribution or expenditures relating to Dynasty Jiangsu, shall be funded by the Group's internal resources, borrowings or proceeds from issue of Shares, if any.

Capital structure

The Company maintained a sound financial position during the period. Total assets decreased from HK$564.3 million as of 31 December 2025 to HK$558.5 million as of 30 June 2026, while the total liabilities decreased from RMB209.3 million as of 31 December 2025 to HK$181.7 million as of 30 June 2026. The Group also monitored capital on the basis of the liability-to-asset ratio. As at 30 June 2026, the Group's gearing ratio (expressed as total liabilities divided by total assets, in percentage) was approximately 33% (31 December 2025: 37%). The Group's gearing ratio decreased and maintained at a sound level.

The market capitalisation of the Company as at 30 June 2026 was approximately HK$259.1 million (31 December 2025: approximately HK$359.1 million).

Capital commitments, contingencies and charges on assets

The Group had capital expenditure of approximately HK$46.8 million (31 December 2025: HK$29.5 million) in respect of construction in progress for winery plant of Dynasty Jiangsu, ancillary facilities and purchase of equipment contracted for but not recognised as liabilities at the end of the reporting period.

The Group had no contingent liabilities and no charge on assets as at 30 June 2026 (31 December 2025: HK$nil).

Material acquisitions and disposals of subsidiaries, associates and joint ventures

For the six months ended 30 June 2026, except for the capital contribution for Dynasty Jiangsu, ongoing liquidation processes of a non-major associate in Ningxia and deregistration of a non-major non-wholly owned subsidiary in Shandong, the Group had not made any material acquisitions or disposal of subsidiaries, associates or joint ventures. The latest development in the liquidation process is set out below:

The Group holds a 25% equity interest of the aforesaid associate in Ningxia. The liquidation process was substantially completed and not yet finalised as at 30 June 2026.

The Group holds a 65% equity interest of the aforesaid subsidiary in Shandong. The liquidation process had been completed the legal proceeding by the local court. The de-registration procedures were finalised in April 2026.

Interim dividend

The Directors did not recommend the payment of any interim dividend to the shareholders of the Company for the six months ended 30 June 2026.

Change in directorship

Mr. Huang Manyou resigned as executive Director and ceased to be an authorised representative under Rule 3.05 of the Listing Rules (the "**Authorised Representative**") and a member of the remuneration committee of the Company, with effect from 3 February 2026 due to his retirement. He had confirmed that there was no disagreement with the Board and there was no matter relating to his retirement that needed to be brought to the attention of the holders of securities of the Company.

Ms. Zhao Haijing was appointed as executive Director as well as a member of the remuneration committee of the Company on 3 February 2026 and has obtained the legal advice and finalised procedures referred to in Rule 3.09D of the Listing Rules on 29 January 2026.

Mr. He Chongfu, general manager of the Company and an executive Director, was appointed as the Authorised Representative with effect from 3 February 2026.

Purchase, sale or redemption of Shares

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any securities of the Company (including sale of treasury shares) during the period under review. As at 30 June 2026, the Company did not hold any treasury shares.

Compliance with the Model Code for Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") as the code for Directors' securities transactions (the "**Model Code**"). The Company has made specific enquiry of all Directors and that all Directors have confirmed their compliance with the required standard set out in the Model Code regarding Directors' securities transactions throughout the six months ended 30 June 2026.

Corporate governance

The Company is committed to fulfilling its responsibilities to the shareholders and protecting and enhancing shareholder value through solid corporate governance. It devotes considerable efforts in identifying and formalising best practices. It also exerts its best efforts to ensure optimum transparency and the best quality of disclosures. The Board has been and will continue to uphold the appropriate standards of corporate governance within the Group, thereby ensuring all businesses are conducted in an honest, ethical and responsible manner and the proper processes for oversight of its businesses are in place, in operation and are regularly reviewed.

Compliance with the Corporate Governance Code

The Company had complied with the code provisions of the Corporate Governance Code as set out in Part 2 of Appendix C1 to the Listing Rules for the six months ended 30 June 2026. The current practices will be reviewed regularly to follow the latest practices in corporate governance.

Publication of interim results and interim report on the websites of the Company and of the Stock Exchange

The interim results announcement is published on the websites of the Company (www.dynasty-wines.com) and the Stock Exchange.

The interim report of the Company for the six months ended 30 June 2026, which contains all the information required by the Listing Rules will be despatched to the shareholders of the Company and published on the websites of the Company (www.dynasty-wines.com) and the Stock Exchange in due course. Further announcement will be made by the Company as and when appropriate.

By order of the Board
Dynasty Fine Wines Group Limited
Wan Shoupeng
Chairman

Hong Kong, 26 August 2026

As at the date of this announcement, the Board comprises three executive Directors, namely, Mr. Wan Shoupeng, Mr. He Chongfu and Ms. Zhao Haijing, three non-executive Directors, namely, Ms. Caroline Bois Heriard Dubreuil, Ms. Sophie Phe and Mr. Alain Jacques Gilbert Li, and three independent non-executive Directors, namely, Mr. Yeung Ting Lap Derek Emory, Mr. Sun David Lee and Ms. Chung Wai Hang.

* *For identification purposes only*